

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02091A  
Pinecrest Water Company  
P. O. Box 97  
Nutrioso AZ 859320097

FEB 24 2004

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

Company Name (Business Name) PINECREST WATER CO., INC.

Mailing Address P.O. Box 97  
(Street)

NUTRISO ARIZONA 85932  
(City) (State) (Zip)

(928) 339-4598 NONE NONE  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NONE

Local Office Mailing Address P.O. Box 97  
(Street)

NUTRISO ARIZONA 85932  
(City) (State) (Zip)

(928) 339-4598 NONE NONE  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NONE

## MANAGEMENT INFORMATION

Management Contact: GERALD McCASLAND PRESIDENT  
(Name) (Title)

P.O. Box 87 NUTRISO AZ 85932  
(Street) (City) (State) (Zip)

(928) 339-4598 NONE NONE  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NONE

On Site Manager: - SAME AS ABOVE -  
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address NONE

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JOHN K. MANGUM

(Name)

1 E. CAMELBACK # 1100 PHOENIX AZ 85012

(Street)

(City)

(State)

(Zip)

(602)- 254-5442

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: SAME AS ABOVE

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

PINECREST WATER CO., INC.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	18873	7885	10988
307	Wells and Springs	4800	4800	0
311	Pumping Equipment	1562	1562	0
320	Water Treatment Equipment	503	503	0
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains	14057	11234	2823
333	Services			
334	Meters and Meter Installations	380	380	0
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	343	343	0
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	100	60	40
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	40618	26767	13851

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

*PINECREST WATER CO., INC.***CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)	
301	Organization				
302	Franchises				
303	Land and Land Rights				
304	Structures and Improvements	<i>18873</i>	<i>5%</i>	<i>944</i>	
307	Wells and Springs	<i>4800</i>	<i>Balance</i>	<i>169</i>	*
311	Pumping Equipment	<i>1562</i>	<i>Balance</i>	<i>54</i>	*
320	Water Treatment Equipment	<i>523</i>	<i>Balance</i>	<i>19</i>	*
330	Distribution Reservoirs and Standpipes				
331	Transmission and Distribution Mains	<i>14257</i>	<i>5%</i>	<i>723</i>	
333	Services				
334	Meters and Meter Installations	<i>380</i>	<i>Balance</i>	<i>13</i>	*
335	Hydrants				
336	Backflow Prevention Devices				
339	Other Plant and Misc. Equipment	<i>343</i>	<i>Balance</i>	<i>6</i>	*
340	Office Furniture and Equipment				
341	Transportation Equipment				
343	Tools, Shop and Garage Equipment	<i>100</i>	<i>5%</i>	<i>5</i>	
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant				
	<b>TOTALS</b>	<i>40618</i>	<i>5%</i>	<i>1913</i>	

This amount goes on Comparative Statement of Income and Expense \_\_\_\_\_  
 Acct. No. 403.

*\* Fully Depreciated*

COMPANY NAME *PINECREST WATER CO., INC.*

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ <i>16,353</i>	\$ <i>17,579</i>
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ <i>16,353</i>	\$ <i>17,579</i>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ <i>40,618</i>	\$ <i>40,618</i>
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<i>&lt; 24,854 &gt;</i>	<i>&lt; 26,767 &gt;</i>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ <i>15,764</i>	\$ <i>31,430</i>
	<b>TOTAL ASSETS</b>	\$ <i>32,117</i>	\$ <i>31,430</i>

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME *PINECREST WATER CO. INC.***BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ <i>0-</i>	\$ <i>0</i>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ <i>-0-</i>	\$ <i>0</i>
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ <i>-0-</i>	\$ <i>0</i>
	<b>TOTAL LIABILITIES</b>	\$ <i>-0-</i>	\$ <i>0</i>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	<i>32117</i>	<i>31430</i>
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$	\$
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ <i>32117</i>	\$ <i>31430</i>

COMPANY NAME *PINE CREST WATER CO., INC.*

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 9820	\$ 9687
460	Unmetered Water Revenue		
474	Other Water Revenues	1200	1266
	<b>TOTAL REVENUES</b>	\$ 11020	\$ 10953
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	752	839
618	Chemicals		
620	Repairs and Maintenance	4937	4774
621	Office Supplies and Expense		
630	Outside Services	360	375
635	Water Testing	605	140
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	283	1750
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	750	996
403	Depreciation Expense	2031	1913
408	Taxes Other Than Income	996	606
408.11	Property Taxes	383	317
409	Income Tax	2355	50
	<b>TOTAL OPERATING EXPENSES</b>	\$ 13452	\$ 11760
	<b>OPERATING INCOME/(LOSS)</b>	\$ < 2432 >	\$ < 807 >
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 205	\$ 121
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 205	\$ 121
	<b>NET INCOME/(LOSS)</b>	\$ 2227	\$ < 686 >



COMPANY NAME PINECREST WATER CO., INC.

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 0

Meter Deposits Refunded During the Test Year

\$ 0

COMPANY NAME *PINECREST WATER CO., INC.*

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
<i>A 72936</i>	<i>1</i>	<i>35</i>	<i>36 FT.</i>	<i>10"</i>	<i>3/4"</i>	<i>1961</i>

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
<i>NONE</i>	<i>/</i>	<i>/</i>

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
<i>1 1/2</i>	<i>1</i>	<i>Ø</i>	<i>Ø</i>

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
<i>10,000</i>	<i>1</i>	<i>56</i>	<i>3</i>

COMPANY NAME PINECREST WATER CO., INC.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8	<i>N/A</i>	
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	<i>41</i>
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

**TREATMENT EQUIPMENT:**

HAND CHLORINATION

**STRUCTURES:**

FENCED WELL HEAD VAULT

FENCED CAPTIVE AIR PRESSURE TANKS & DISTRIBUTION SYSTEM

**OTHER:**

COMPANY NAME: PINECREST WATER CO., INC.

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003**

MONTH	*	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY				
FEBRUARY		39	216,910	
MARCH				
APRIL				
MAY		39	440,890	
JUNE				
JULY				
AUGUST		40	409,230	
SEPTEMBER				
OCTOBER				
NOVEMBER		40	219,230	
DECEMBER				
TOTAL			N/A	1,286,260

\* METERS ARE  
READ QUARTERLY

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes                      ( ) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes                      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. 0.0029 mg/l

(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME PINECREST WATER CO., INC. YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 317.74

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

✓

**PINECREST WATER COMPANY**  
P.O. BOX 57, PINE BLUFF, AR 71601  
NOT NEGOTIABLE

DATE 9-15-03 DEPOSIT TO 15,391.11

THIRTEEN AND 39/100 DOLLARS

FOR FLORIAN R. FORD

9/17/03 1661 39.11

✓

OSF 50259 **PINECREST WATER COMPANY** 6073539 1662  
P.O. BOX 57, PINE BLUFF, AR 71601  
NOT NEGOTIABLE

DATE 9-20-03 DEPOSIT TO \$ 317.74

THREE HUNDRED SEVENTEEN AND 74/100 DOLLARS

FOR 7.00-61.000.0

9/30/03 1662 317.74

✓

U.S. POSTMASTER THIRTEEN AND 65/100 DOLLARS

COMPANY NAME PINECREST WATER CO., INC.

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>&lt; 686 &gt;</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>&lt; 636 &gt;</u>
Estimated or Actual State Tax Liability	<u>45</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>0</u>
Amount of Gross-Up Tax Collected	<u>0</u>
Total Grossed-Up Contributions/Advances	<u>0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Gerald McCasland  
SIGNATURE

2-23-2004  
DATE

GERALD MCCASLAND  
PRINTED NAME

PRESIDENT  
TITLE

**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

FEB 24 2004

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	APACHE
NAME (OWNER OR OFFICIAL) TITLE	GERALD MCCASLAND
COMPANY NAME	PINECREST WATER CO., INC

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 11073

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 599  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

Gerald McCasland  
SIGNATURE OF OWNER OR OFFICIAL  
928-334-4598  
TELEPHONE NUMBER

COUNTY NAME	APACHE
MONTH	FEBRUARY 2004

Jean M. Wilson  
SIGNATURE OF NOTARY PUBLIC

THIS 23rd DAY OF  
  
NOTARY PUBLIC, STATE OF ARIZONA  
(SEAL)  
MY COMMISSION EXPIRES DEC 1, 2007



**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

FEB 24 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>APACHE</u>	
NAME (OWNER OR OFFICIAL) <u>GERALD MCCASLAND</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>PINE CREST WATER CO., INC.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION  
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>11073</u>

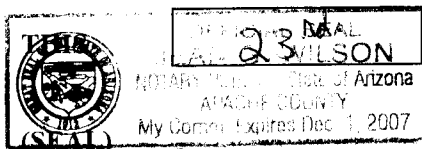
(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 599  
IN SALES TAXES BILLED, OR COLLECTED

**\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.**

  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

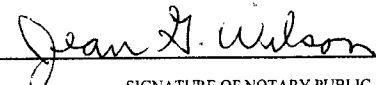
A NOTARY PUBLIC IN AND FOR THE COUNTY OF



DAY OF

NOTARY PUBLIC NAME <u>JEAN G. WILSON</u>	
COUNTY NAME <u>APACHE</u>	
MONTH <u>FEBRUARY</u>	20 <u>04</u>

MY COMMISSION EXPIRES  
DEC. 1, 2007

X   
SIGNATURE OF NOTARY PUBLIC